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C O R R E C T E D C O P Y (PARA)

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SUBJECT: KAZAKHSTAN: AMBASSADOR'S VISIT TO AKTAU

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¶1. Summary: On May 17-18, the Ambassador traveled to the Caspian coastal city of Aktau to meet with representatives of the regional government, visit two sites receiving U.S. assistance, and partake in an official ceremony marking the transfer of three brand-new, U.S.-made patrol boats to the Border Service of Kazakhstan. End summary.

VISITS AND MEETINGS ON MAY 17

¶2. First on the schedule was a visit to the decommissioned BN-350 Fast Breeder reactor. The U.S. delegation was whisked through the gates surrounding the complex and brought to the facility's briefing room for an overview of the reactor's history and past and current decommissioning efforts by Gennady Pugachev, BN-350 Director and Saken Utebayev, General Director of Kazatomprom. The Ambassador asked whether there were any additional financial needs for BN-350 projects, and was told that although there are not any additional financial needs for the joint U.S.-Kazakhstani projects, there would be room for more assistance in other areas, for example liquid and solid waste treatment facilities. Next, the group was taken to see the BN-350 museum, followed by a quick tour of both the Sodium Processing Facility and the reactor building.

¶3. After returning to Aktau, the Ambassador met with Mangystau Region Akim Krymbek Kusherbayev. Topics of conversation included the development the region as a multimodal transportation and logistics hub, development of the hydrocarbon industry and related infrastructure projects, and plans to expand the free economic zone at the Port of Aktau. Other issues covered during the meeting included employment and salary levels in the region (both quite high), the education and training of personnel, the health care system, and the oralman (ethnic Kazakh repatriates) from Turkmenistan and elsewhere. A brief press conference was held outside the Akim's office following the meeting.

¶4. Next on the agenda was a tour of the Kazakhstani Naval Institute, where eighteen U.S. Navy construction specialists ("Seabees") began a four-month renovation project in mid-April. The Institute's facilities were inherited from a dilapidated 1970s polytechnic institute campus and are in rather bad condition. The Kazakhstani Navy repeatedly asked the U.S. for assistance in renovating/upgrading the institute's facilities, which led to the SeaBee project, valued in excess of \$1 million. During the tour Naval Institute Commandant Captain Murat Tulekabayev and Seabee Detachment Commander Richard Steffee

showed the group the future dining facility, kitchen, classrooms and conference rooms, and were on hand to answer the group's numerous questions.

FAST RESPONSE BOAT TURNOVER CEREMONY ON MAY 18

15. A ceremony was held at the Port of Aktau the morning of May 18 to mark the donation of three forty-two-foot Fast Response Boats to Kazakhstan's Maritime Border Guard. The boats are worth almost \$2 million and were provided by the U.S. Department of State's Export Control and Related Border Security Assistance Program (EXBS) through an interagency partnership with the U.S. Coast Guard. Ambassador Ordway and Akim Kuserbayev made brief speeches before cutting a ribbon and boarding one of the boats for a brief demonstration of its extraordinary agility in the water provided by its dual inboard jets. The boats were manufactured by Safe Boats International of Port Orchard, Washington, and were selected for their stability, speed and range. The ceremony represented a culmination of a multiple-year effort to provide Kazakhstan's Border Guards with a high-speed, highly maneuverable vessel for use on the Caspian Sea.

ADDITIONAL ACTIVITIES ON MAY 18

16. Following the Safe Boat ceremony, the U.S. delegation accompanied General Yelemes Zhanabergenov, Head of the Border Service's Western Division, to the Border Service's Regional Headquarters, where they received a briefing on Kazakhstan's command center and associated radar sites. The Russian-made system is comprised of nine radar sites that cover much of Kazakhstan's Caspian coast.

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17. The delegation then visited the "Aktau Infrastructure" First Caspian Regional Exhibition. The trade show featured several dozen exhibitors, most of whom are in one way or another involved in the development of the region's booming oil and gas industry.

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